
FINAL NOTICE

**Garrick Financial Services Limited
Kirktom House
The Green
Thurlby
Bourne
PE10 0HB**

06 January 2021

1. ACTION

- 1.1. By its Application dated 31 May 2019, the Firm applied under section 55A of the Act for Part 4A permission to carry on the regulated activity of advice, investigation or representation in relation to a financial services or financial product claim.
- 1.2. The Authority has refused the Application for the reasons summarised below.

2. SUMMARY OF REASONS

- 2.1. In the light of the facts and matters set out below, the Authority is concerned that:

(1) The Firm does not meet the Prudential Resources Requirement.

(2) The Firm does not have a viable business model. In particular, the Firm has stated it is unable to provide financial projections or pre-contractual and contractual information as it has not yet determined its future activities.

(3) The Firm does not have adequate systems and controls, policies and procedures.

- 2.2. Further, the Firm has not complied with requests made by the Authority for the provision of information.
- 2.3. For these reasons, as set out further in this notice below, the Authority cannot ensure that the Firm will satisfy, and continue to satisfy, the threshold conditions set out in Schedule 6 of the Act.
- 2.4. By its Warning Notice dated 22 July 2020 ("the Warning Notice") the Authority gave notice that it proposed to refuse the Application and that the Firm was entitled to make representations to the Authority about that proposed action.
- 2.5. After considering written representations received from the Firm on the Warning Notice, by its Decision Notice dated 5 November 2020 ("the Decision Notice") the Authority gave the Firm notice that it had decided to take the action described above.
- 2.6. The Firm had 28 days from the date the Decision Notice was given to refer the matter to the Upper Tribunal (formerly known as the Financial Services and Markets Tribunal). No referral was made to the Upper Tribunal within this period of time or to date.
- 2.7. Under section 390(1) of the Act, the Authority, having decided to refuse the Application and there having been no reference of that decision to the Tribunal, must give the Firm a Final Notice of its refusal.

3. DEFINITIONS

- 3.1. The definitions below are used in this Notice.

"the Act" means the Financial Services and Markets Act 2000, as amended;

"the Application" means the application under Part 4A of the Act referred to in paragraph 1.1 above;

"the Authority" means the body corporate previously known as the Financial Services Authority and renamed on 1 April 2013 as the Financial Conduct Authority;

"CMCOB" means the Claims Management: Conduct of Business section of the Authority's handbook;

"COND" means the Threshold Conditions section of the Authority's handbook;

"the Decision Notice" means the decision notice dated 5 November 2020 given to the Firm by the Authority.

"the Firm" means Garrick Financial Services Limited;

"PPI" means payment protection insurance;

"Prudential Resources Requirement" or "PRR" means the requirement on the Firm at CMCOB 7.2.7 R of the Authority's Handbook;

"RDC" means the Regulatory Decisions Committee of the Authority;

"SUP" means the Supervision section of the Authority's handbook;

"the Tribunal" means the Upper Tribunal (Tax & Chancery Chamber); and

"the Warning Notice" means the warning notice dated 22 July 2020 given to the Firm by the Authority.

4. FACTS AND MATTERS

4.1. Since the Authority assumed responsibility for the regulation of claims management companies on 1 April 2019, the Firm has carried on the regulated claims management activities in paragraph 1.1 using temporary permission. The Application (for permanent permission) was submitted by the Firm on 31 May 2019.

4.2. As part of the application process, firms are requested to provide the following, either with the application, or later:

(1) The applicant's business plan;

(2) If applying for permissions in relation to advice, investigation or representation of a claim, a copy of the pre-contract information and customer contract;

(3) An opening balance sheet to demonstrate how the Applicant will meet its financial resources requirement at the date of authorisation;

(4) A forecast closing balance sheet for the first 12 months as an authorised firm;

(5) A monthly cash flow for the first 12 months of trading as an authorised firm;

(6) Monthly profit and loss forecast for the first 12 months of trading;

(7) Most recent annual and management accounts if annual accounts are not recent;

(8) Compliance monitoring programme and compliance procedures;

(9) An individual form for each member of the firm's management body.

- 4.3. The only document received with the Application was the individual form providing details about the sole director. The Authority wrote to the Firm on 10 October 2019, requesting the other documents.
- 4.4. The Firm responded by email on 25 October 2019, supplying a document with the title "Business Plan". It described the document as "the business response to the information requested." None of the other requested documents was supplied with the email.
- 4.5. The Business Plan does not set out a plan for the Firm's future business operations. It states repeatedly that the Firm has not yet formulated any plan for its future business. The Firm's present business appears to be limited to resolving a small number of pending PPI claims (later confirmed as being approximately 50 claims), and it has formulated no plan to pursue further PPI claims or to focus on pursuing any other type of compensation claim. On p.11 of the Business Plan, under the heading "Documentation", the Business Plan states the following (emphasis added):

"As the business is not taking on new customers as a result of the fact that it only conducts PPI related activities and the deadline for new PPI claims has now passed and it is yet to determine its future activities, certain documentation does not currently or does not yet exist."

"Items such as Pre-Contract Information documents, the Customer Contract, fee illustration documents, Customer Agreement documents or a 'One Page Summary' document do not currently exist."

"Naturally, in the event that the business decides to operate within other claims sectors, the relevant documentation will be constructed based upon the requirements prescribed within the relevant Policy Statements and based upon the needs of that particular sector."

"Naturally, the business cannot determine its strategy before making decisions on the sector to be adopted and, therefore, it cannot determine or set out the requirements necessary within these documents or determine basic factors such as the fee chargeable until the relevant analysis has taken place."

"... [T]his very clearly impacts the ability to assess financials and, therefore, it is not possible to supply projected cashflow information or projected profit and loss statements."

"All procedure documents can also only be constructed once these decisions have been made and the nature of the business and sector to be targeted is known."

- 4.6. On 31 October 2019, the Firm filed at Companies House its micro company accounts for the year ending 31 January 2019. The accounts state the Firm had "net current liabilities" of £4,812 and "capital and reserves" of minus £4,379. The Authority obtained a copy of those accounts from the Companies House website.
- 4.7. During a telephone conversation on 9 March 2020 with the Authority, the Firm confirmed that its current financial position is similar to that shown in the accounts referred to above.
- 4.8. The Firm is subject to the prudential resources requirement (PRR) set out in CMC0B 7.2.7R, being the higher of: (a) £5,000; and (b) the firm's overheads requirement (see CMC0B 7.2.8R); plus (2) if the firm has held client money at any time in the last 12 months, the client money requirement (see CMC0B 7.2.9R).
- 4.9. The Firm does not hold any client money. It has not provided any information to enable the Authority to calculate the Firm's overheads requirement (nor has it volunteered this information to the Authority). The Firm is therefore subject to a PRR of at least £5,000 and does not meet this requirement. The Firm did not notify the Authority that it does not meet the PRR.
- 4.10. The Authority sent the Firm a summary of the 9 March 2020 telephone conversation by email, and in the Firm's reply email on 10 March 2020 it accepted the Authority's summary, albeit with one limited qualification (as explained further below).
- 4.11. During the 9 March 2020 telephone conversation, the Firm confirmed that it:
- (1) Has around 50 PPI clients remaining.
 - (2) Is unable to provide a timeline for when the current pipeline of PPI claims will be concluded.
 - (3) Is currently undecided as to whether it will carry on with any other claims management business, once it has completed its current pipeline of PPI claims.
 - (4) Is unable, as things stand, to obtain further capital from the sole director and shareholder to ensure that it meets the PRR.
- 4.12. During the conversation on 9 March 2020, the Authority explained that:
- (1) Based on the current financial position, it appears the Firm is unable to meet the PRR, and the Authority is unable to authorise the Firm as it does not meet the FSMA threshold conditions.
 - (2) The Authority is bound by statutory deadlines to determine Part 4A applications, and in the Firm's case the deadline was at that time 30 May 2020.

(3) The Firm has the option to withdraw the Application, but the decision would need to be taken by the Firm, and the Authority is unable to offer any advice on that approach. The Firm responded that it did not wish to withdraw as it wished to continue providing a service for its remaining clients.

4.13. The Firm's 10 March 2020 email responding to the Authority's 9 March email further stated that:

"I did not say I was unwilling to inject further investment into the business, I said I was unwilling to do this as things stood because the future of the business/ the future direction of the business was unknown because of other external factors surrounding other consultancy work that remained inconclusive but which would determine the outcomes for Garrick Financial Services and whether further claims activity would be undertaken following the conclusion of remaining PPI activity.

"I cannot place my customers at risk or be irresponsible with financials simply to take a gamble on making the right decision simply to meet your deadlines. The factors surrounding this are simply not clear enough at this stage to be able to make an effective business decision. As stated, any such decision made now would either place my clients at risk or require an irresponsible gamble with finances.

"It is your deadlines that are forcing a decision to be made on your part and I accept that this cannot be altered. Consequently, I completely understand that I have to accept any decision that you may make based on the circumstances, as the timing is not appropriate for me to do this myself. Without your pending deadlines, I would not be considering making such risk loaded decisions or decisions that would not make good business sense."

4.14. On 8 June 2020, the Authority contacted the Firm for an update on its situation, following up with an email confirming the conversation. The Firm confirmed in the conversation that its situation has not changed since 9 March 2020, that the Firm still has approximately 50 PPI clients remaining, and that the Firm does not wish to add anything to the information already provided.

4.15. On 15 June 2020, the Authority called the Firm and left a voice message, asking the Firm to contact the Authority to discuss the application. The Authority wished to discuss with the Firm that its website appeared to indicate the Firm was still offering PPI claims services to new customers. The website also contained out of date statutory disclosure information, stating the Firm is regulated by the Claims Management Regulator. No response was received to the Authority's voicemail.

- 4.16. On 29 June 2020, the Authority emailed the Firm setting out in writing its concerns with the Firm's website. The Authority provided with the email some screenshots of the Firm's website to support its concerns.
- 4.17. The Authority asked the Firm to review its website and any other promotional materials, and confirm the changes it would make to ensure it complies with the financial promotions rules in CMCOB 3, and accurately reflects the services offered by the Firm.
- 4.18. In particular, the Authority was concerned that the website is not fair, clear and not misleading (CMCOB 3.2.1R), because it appeared to be offering services that are no longer available.
- 4.19. No response was received to the Authority's email of 29 June 2020. However, on 3 July 2020 the Authority again reviewed the Firm's website and noted that it had been amended since the Authority's previous email of 29 June 2020. The website no longer offers the facility to enable a customer to request a claims pack, and refers to it being "registered with the Financial Conduct Authority". However, the website now states "It is still possible to address claims against firms that are no longer trading and/ or have gone into Default. Please contact to speak about the possibility of making a such a claim." This is not consistent with the Firm's statement to the Authority that it "is not taking on new customers".
- 4.20. The deadline for submission of PPI claims was 31 August 2019. The Authority is therefore concerned that the Firm's website has, since then, been offering services which are no longer available, and was therefore not fair, clear and not misleading for a period of 10 months. Although the Firm has now updated the website, it did so only after a request by the Authority, and does not appear to have reviewed or updated the website by way of its own systems and controls. The Authority is further concerned that the updated website appears to be offering ongoing claims management services, contrary to correspondence received by the Authority from the Firm.

5. IMPACT ON THE THRESHOLD CONDITIONS

Appropriate resources

- 5.1. Threshold condition 2D(1) states that "The resources of A [the applicant] must be appropriate in relation to the regulated activities that A carries on or seeks to carry on".
- 5.2. In the light of the facts set out above, the Authority is not satisfied that the Firm has appropriate financial resources. In particular, the Authority is concerned that:
- (1) The Firm's "capital and reserves" are negative.
 - (2) The Firm does not meet the PRR.
 - (3) Its sole shareholder has not committed to inject further capital at this time.

- 5.3. Further, the Authority is not satisfied that the Firm has appropriate non-financial resources. The Firm has not provided its pre-contract information, the customer contract, fee illustration documents, customer agreement documents, and a one page summary document. Firms are required to have this documentation in place under CMCOB 4 (pre-contractual requirements). Nor did the Firm supply the Authority with a copy of any compliance monitoring programme or compliance procedures. Despite the Authority's requests for this documentation, the Firm has failed to supply any of it.

Suitability

- 5.4. The Firm failed to provide the Authority with the information needed to assess the Application (such as, for example, a copy of its compliance monitoring programme and compliance procedures), failed to notify the Authority that it was in breach of its PRR and did not submit documents when required by the Authority.
- 5.5. Further, the Firm failed to review and update its website to accurately reflect the services it could provide. The website appears to have been out of date for a period of 10 months after the deadline for submission of PPI complaints (31 August 2019). Even after the latest update, the website appears to be offering ongoing claims management services, contrary to correspondence received by the Authority from the Firm.
- 5.6. The Authority is therefore not satisfied that the Firm meets the suitability threshold condition in general, but particularly having regard to paragraphs 2E(c) (conduct of a firm's affairs in an appropriate manner), 2E(d) (compliance with the Authority's requirements and information requests) and 2E(f) (affairs conducted in sound and prudent manner).

Business model

- 5.7. Threshold condition 2F(1) states that "A's business model (that is, A's strategy for doing business) must be suitable for a person carrying on the regulated activities that A carries on or seeks to carry on".
- 5.8. The Firm in effect does not have a business model (except in relation to resolution of a small number of pending claims) and the Authority is thus not satisfied that this threshold condition is met.
- 5.9. As has been explained above, the Firm "is yet to determine its future activities", has identified no area of business activity that it will target for its future operations, and says that it is unable to supply the Authority with any financial projections.
- 5.10. On the basis of the facts and matters described above, the Authority cannot ensure that the Firm satisfies, and will continue to satisfy the threshold conditions relating to the activities for which the Firm would have permission.

- 5.11. The regulatory and statutory provisions relevant to this Final Notice are referred to in Annex A.

6. REPRESENTATIONS

- 6.1. Annex B contains a brief summary of the key representations made by the Firm and how they have been dealt with. In making the decision which gave rise to the obligation to give this Notice, the Authority has taken into account all of the representations made by the Firm, whether or not set out in Annex B.

7. IMPORTANT NOTICES

- 7.1. This Final Notice is given under section 390(1) of the Act.

Publication

- 7.2. Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this Notice relates. Under those provisions, the Authority must publish such information about the matter to which this Notice relates as the Authority considers appropriate. The information may be published in such manner as the Authority considers appropriate. However, the Authority may not publish information if such publication would, in the opinion of the Authority, be unfair to you or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.
- 7.3. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

Authority contacts

- 7.4. For more information concerning this matter generally, contact Mike Baker, Manager, Claims Management Department at the Authority (direct line: 020 7066 1026 / email: Mike.Baker@fca.org.uk).

Sarah Hayes
On behalf of the Regulatory Transactions Committee

ANNEX A – REGULATORY PROVISIONS RELEVANT TO THIS NOTICE

Relevant Statutory Provisions

1. Section 55A(1) of the Act provides for an application for permission to carry on one or more regulated activities to be made to the appropriate regulator. Section 55A(2) defines the “appropriate regulator” for different applications.
2. Section 55B(3) of the Act provides that, in giving or varying permission, imposing or varying a requirement, or giving consent, under any provision of Part 4A of the Act, each regulator must ensure that the person concerned will satisfy, and continue to satisfy, in relation to all of the regulated activities for which the person has or will have permission, the threshold conditions for which that regulator is responsible.
3. The threshold conditions that relate to the current application are set out in Part 2 of schedule 6 of the Act. In brief, the threshold conditions relate to:
 - (1) Threshold condition 2B: Location of offices
 - (2) Threshold condition 2C: Effective supervision
 - (3) Threshold condition 2D: Appropriate resources
 - (4) Threshold condition 2E: Suitability
 - (5) Threshold condition 2F: Business model

Relevant provisions of the Authority’s Handbook

Threshold Conditions - COND

4. In exercising its powers in relation to the granting of a Part 4A permission, the Authority has regard to guidance published in the Authority’s Handbook, including the part entitled ‘Threshold Conditions’ (COND). Provisions relevant to the consideration of the current application include those set out below.

General guidance

5. COND 1.3.2G(2) states that, in relation to threshold conditions 2D to 2F, the Authority will consider whether a firm is ready, willing and organised to comply on a continuing basis with the requirements and standards under the regulatory system which will apply to the firm if it is granted Part 4A permission.
6. Under COND 1.3.3AG, in determining the weight to be given to any relevant matter, the Authority will consider its significance in relation to the regulated activities for which the firm has, or will have, permission, in the context of its ability to supervise the firm adequately, having regard to the Authority’s statutory objectives. In this context, a series of matters may be significant when taken together, even though each of them in isolation might not give serious cause for concern.
7. COND 1.3.3BG provides that, in determining whether the firm will satisfy, and continue to satisfy, the threshold conditions, the Authority will have regard to all relevant matters, whether arising in the United Kingdom or elsewhere.
8. COND 1.3.3CG provides that, when assessing the Authority’s threshold conditions, the Authority may have regard to any person appearing to be, or likely to be, in a relevant relationship with the firm, in accordance with section 55R of the Act (Persons connected with an applicant). For example, a firm’s controllers, its directors or partners, other

persons with close links to the firm (see COND 2.3), and other persons that exert influence on the firm which might pose a risk to the firm's satisfaction of the Authority's threshold conditions, would be in a relevant relationship with the firm.

Threshold condition 2D: Appropriate Resources

9. COND 2.4.2G(2) states that the Authority will interpret the term 'appropriate' as meaning sufficient in terms of quantity, quality and availability, and 'resources' as including all financial resources (though only in the case of firms not carrying on, or seeking to carry on, a PRA-regulated activity), non-financial resources and means of managing its resources; for example, capital, provisions against liabilities, holdings of or access to cash and other liquid assets, human resources and effective means by which to manage risks.
10. COND 2.4.2G(3) states that high level systems and control requirements are in SYSC. The Authority will consider whether the firm is ready, willing and organised to comply with these and other applicable systems and controls requirements when assessing if it has appropriate non-financial resources for the purpose of threshold condition 2D.
11. COND 2.4.2G(4) states that detailed financial resources requirements are in the relevant section of the Prudential Standards part of the Authority's Handbook, including specific provisions for particular types of regulated activity. The Authority will consider whether firms (other than firms carrying on, or seeking to carry on, PRA-regulated activities) are ready, willing and organised to comply with these requirements when assessing if they have appropriate financial resources for the purposes of threshold condition 2D.

Threshold condition 2E: Suitability

12. COND 2.5.1A(1) states that a firm must be a fit and proper person having regard to all the circumstances, including:
 - (c) the need to ensure that a firm's affairs are conducted in an appropriate manner, having regard in particular to the interests of consumers and the integrity of the UK financial system;
 - (d) whether a firm has complied and is complying with requirements imposed by the Authority in the exercise of its functions, or requests made by the Authority, relating to the provision of information to the Authority and, where a firm has so complied or is so complying, the manner of that compliance; and
 - (f) whether a firm's business is being, or is to be, managed in such a way as to ensure that its affairs will be conducted in a sound and prudent manner.
13. COND 2.5.4G(2) states that examples of the kind of general considerations to which the Authority may have regard when assessing whether a firm will satisfy, and continue to satisfy, threshold condition 2E include, but are not limited to, whether the firm:
 - (a) conducts, or will conduct, its business with integrity and in compliance with proper standards;
 - (b) has, or will have, a competent and prudent management; and
 - (c) can demonstrate that it conducts, or will conduct, its affairs with the exercise of due skill, care and diligence.

Threshold condition 2F: Business model

14. COND 2.7.1UK states that

- (1) A's business model (that is, A's strategy for doing business) must be suitable for a person carrying on the regulated activities that A carries on or seeks to carry on.
- (2) The matters which are relevant in determining whether A satisfies the condition in sub-paragraph (1) include-
 - (a) whether the business model is compatible with A's affairs being conducted, and continuing to be conducted, in a sound and prudent manner;
 - (b) the interests of consumers;
 - (c) the integrity of the UK financial system.

Claims Management: Conduct of Business sourcebook

15. The section of the Authority's Handbook entitled 'Claims Management: Conduct of Business sourcebook' ("CMCOB") sets out rules and guidance applicable to firms carrying on regulated claims management activities. Provisions of CMCOB relevant to the consideration of the current application include those set out below.

- a. CMCOB 3.2.1R (1) states that "A *firm* must ensure that each of its communications and *financial promotions* is fair, clear and not misleading (the *fair, clear and not misleading rule*)."
- b. CMCOB 4.2.1R states that "A firm must provide summary information (see CMCOB 4.2.2R) to a customer in accordance with this section before entering into an agreement with the customer that relates to regulated claims management activity."
- c. CMCOB 4.2.7R (1) states that "Before entering into an agreement with the customer that relates to regulated claims management activity, the firm must give the customer objective information, in a durable medium, to assist the customer to reach a decision as to whether to pursue the claim."
- d. CMCOB 4.2.8R requires the firm, before entering into an agreement with the customer that relates to regulated claims management activity, to also give the customer information, in a durable medium, on, for example:
 - i. Services that will be provided under the agreement
 - ii. The nature of any advice to be provided
 - iii. The actions the firm will take to pursue the claim
 - iv. The firm's actions and advice given when the claim is completed
 - v. The person who will provide those services
 - vi. The firm's terms and conditions
 - vii. The firm's fees
 - viii. Any referral fees paid by the firm
 - ix. Any steps the customer is likely to have to take in respect of the claim

- x. Documentation likely to be needed to pursue the claim
 - xi. The firm's complaints, cancellation and termination processes
 - xii. The nature and frequency of updates the firm will give to the customer
 - xiii. the Financial Ombudsman Scheme or any other Ombudsman scheme to which the firm is subject.
- e. CMCOB 7.2.1R states that "A firm must ensure that it is able to meet its liabilities as they fall due".
 - f. CMCOB 7.2.2R states that, "A firm must ensure at all times that its prudential resources, calculated in accordance with CMCOB 7.3 are not less than its prudential resources requirement".
 - g. CMCOB 7.2.7R states that, "Subject to CMCOB 7.2.10R, the prudential resources requirement for a Class 2 firm is: (1) the higher of: (a) £5,000; and (b) the firm's overheads requirement (see CMCOB 7.2.8R); plus (2) if the firm has held client money at any time in the last 12 months, the client money requirement (see CMCOB 7.2.9R)".
 - h. CMCOB 7.3.1R states that (1) A firm must calculate its prudential resources only from the items which are eligible to contribute to a firm's prudential resources as set out in the table in CMCOB 7.3.2R. (2) In arriving at its calculation of its prudential resources, a firm must deduct certain items as set out in the table in CMCOB 7.3.3R.

Supervision SUP 15.3 General notification requirements

- 16. This section of the Handbook sets out matters having a serious regulatory impact, and which therefore require immediate notification to the Authority.
- 17. SUP 15.3.1R states that a firm must notify the Authority immediately it becomes aware, or has information which reasonably suggests, that any of the following has occurred, may have occurred or may occur in the foreseeable future:
 - (1) the firm failing to satisfy one or more of the threshold conditions; or
 - (2) any matter which could have a significant adverse impact on the firm's reputation; or
 - (3) any matter which could affect the firm's ability to continue to provide adequate services to its customers and which could result in serious detriment to a customer of the firm; or
 - (4) any matter in respect of the firm which could result in serious financial consequences to the UK financial system or to other firms.

ANNEX B - REPRESENTATIONS

The Firm's representations (in italics), and the Authority's conclusions in respect of them, are set out below.

There is no objection to the Authority refusing the Firm's Part 4A permission application

For clarity, the Firm accepts the Authority's refusal of its application for authorisation as a claims management company. The Firm concedes that this is inevitable, due to it not having adequate financial resources. The Firm's representations are intended to provide clarity to the factual basis behind these proceedings.

The Authority notes the Firm's position and the nature of its representations.

Documentation submitted on a limited basis

The Firm acknowledges that the Authority requested the documentation listed at paragraph 4.2 above. However, this request did not oblige the Firm to provide the documentation at the time of the application. The Firm therefore submitted its Part 4A application with the intention of providing supporting documentation at a subsequent date, should the Firm decide to move into another Claims Management sector.

Whilst the Firm was able to provide the individual form to the Authority, the Firm had yet to reach key decisions on the future direction of the business, that would form the underlying basis for the rest of the documentation. The Firm was not in a position to compile and submit other documents whilst business decisions about the Firm's future provision of claims management service within a different sector, were yet to be concluded.

The Authority only requested the Firm's micro company accounts on 10 October 2019. As the accounts were being prepared by the Firm's instructed accountants, the Firm could not meet the submission deadline of 24 October 2019. However, the accounts were submitted shortly after the final deadline of 31 October 2019.

The Firm did not provide other pre-contractual documentation, compliance monitoring programme or compliance procedures because they did not exist whilst the business was only operating within the PPI sector and therefore ineligible for new business. The Part 4A application form requested documentation for the Firm's future business operations. The business held such documentation for PPI claims but, after the PPI deadline, this was no longer applicable and not relevant to any potential future business.

The Authority acknowledges that the Firm submitted some documents to the Authority, such as an individual form that provided details on the Firm's director.

Whilst recognising that the Firm had pending business decisions to make, the Authority notes that the Firm has not provided documents important to the assessment of the Part 4A application, namely its compliance monitoring programme and compliance procedures, which could have been submitted irrespective of the Firm's future business activities. The Firm could also have provided documents reflective of its current business model at the time, so that the Authority could assess whether they were meeting the threshold conditions. The Authority notes that to date, the Firm has not supplied these documents.

The Authority has no record of receiving the Firm's micro company accounts.

The Authority expects firms to provide information on current business activities, not just future activities, including all information in relation to claims that are currently being processed. Notwithstanding that the firm has indicated that the required information was in place in relation to PPI clients, that information has not been provided to the FCA. Although firms are able to provide supporting documentation either at the time of, or after, submission of the Part 4A application, the Firm did not submit its outstanding documents.

The Firm's website is not misleading

The Firm does not dispute that its website was not updated after August 2019 when the PPI deadline had passed. However, this was due to technical issues in accessing the site's management tools. There was no intention by the Firm to attract new business. There was no risk of misleading consumers into submitting a PPI claim after the deadline, as it would have been explained to the consumer that the deadline for new PPI claims had passed.

The Authority notes the Firm's position, but considers that its website could nonetheless mislead consumers that services were being offered that were no longer available. The Authority notes that the financial promotion rules focus on how services are portrayed, rather than the treatment of consumers after consulting with the Firm in light of the financial promotions.